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DOCKET NO. 52797

APPLICATION OF CONROE RESORT UTILITIES, LLC, UNDINE TEXAS, LLC, AND UNDINE TEXAS ENVIRONMENTAL, LLC FOR SALE, TRANSFER, OR MERGER OF FACILITIES AND CERTIFICATE RIGHTS IN MONTGOMERY COUNTY	§ § § § § §	PUBLIC UTILITY COMMISSION OF TEXAS
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APPLICANTS’ NOTICE OF COMPLETED TRANSACTION

COME NOW Conroe Resort Utilities, LLC, Undine Texas, LLC and Undine Texas Environmental, LLC (collectively, the “Applicants”) and file this Notice of Completed Transaction.

As set out in Applicants’ Notice of Intention to Conclude Transaction filed on December 20, 2022 (Docket Id. No. 121), the Applicants provided notice of their intention to close on the transaction pursuant to Texas Water Code § 13.301 and Commission Rule 16 Tex. Admin. Code § 24.239. Having satisfied the requirements of those statutory and regulatory provisions as of December 15th (including the notice requirement, based on the orders in effect as of the 120-day deadline), the parties initiated the steps necessary to conduct the closing beginning on that date in order to close by December 31st, which the transaction terms identified as the last available date for the parties to close before the transaction terminated.

Recognizing that the Applicants proceeded to closing pursuant to the statutory and regulatory authority set out in Texas Water Code § 13.301 and Commission Rule 16 Tex. Admin. Code § 24.239 and in the absence of a separate docket order approving the sale and transfer to proceed, the Applicants emphasize: (i) the Applicants’ satisfaction of Texas Water Code § 13.301 and Commission Rule 16 Tex. Admin. Code § 24.239 triggered the parties’ contractual obligation to close under the terms of the purchase agreement, based on the satisfaction of the statutory and regulatory prerequisites to closing;¹ (ii) after a thirteen month application process, it was necessary to get the subject utility assets, which are in need of significant capital improvements, into the hands of a utility that is prepared to perform those capital improvements; and (iii) the transaction was going to terminate in the absence of the Applicants’ establishment of a commitment on or

¹ Noting that the parties to the transaction have maintained their right to dispute this obligation notwithstanding the statement set forth in this pleading.

before December 31, 2022 to close the transaction as soon as possible after the established December 31, 2022 deadline. Those conditions compelled the Applicants to proceed to closing under its statutory and regulatory rights.

Attached hereto as **Exhibit A** is a fully executed Bill of Sale evidencing the consummation of the transaction on January 24, 2023 (following the parties' agreement providing the brief extension of the December 31, 2022 closing deadline, and noting that escrow funding occurred on January 18, 2023).

Attached hereto as **Exhibit B** is an Affidavit of Customer Deposits evidencing the transfer of the customer deposits from the seller to the buyer on January 31, 2023.

Subject to further Commission direction, Undine will be applying the rate schedule set forth in **Exhibit C** (beginning with Rate Year 1), consistent with the Applicants' notice of the application.

Undine remains committed to complying with the requirements of Order No. 14, including as they relate to the requested clarifications and the new notice, consistent with the deadlines set out in the Order.

Respectfully submitted,



GREGG LAW PC

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**Attorneys for Undine Texas, LLC and
Undine Texas Environmental, LLC, and filed
with the consent of Conroe Resort Utilities, LLC**

CERTIFICATE OF SERVICE

As indicated by my signature above, I, Peter Gregg, certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record

via electronic mail on February 1, 2023 in accordance with the Order Suspending Rules, issued in Project No. 50664.

EXHIBIT A

BILL OF SALE

THE STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

KNOW ALL MEN BY THESE PRESENTS:

Pursuant to the terms of that certain Asset Purchase Agreement (the "Purchase Agreement"), dated as of February 18, 2022 by and among Conroe Resort Utilities, LLC, a Delaware limited liability company ("Grantor"), Undine Development, LLC, and Todd Nocerini and David Songy (together, the "Controlling Owners"), as amended and which was assigned by Undine Development, LLC to Undine Texas, LLC, a Delaware limited liability company ("Undine Texas") and Undine Texas Environmental, LLC, a Texas limited liability company ("Undine Environmental" and together with Undine Texas, the "Grantee"), and for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration paid to Grantor by Grantee, the receipt and sufficiency of which are hereby acknowledged, Grantor does hereby grant, sell, transfer, deliver, assign and convey unto Undine Texas the Assets which are primarily related to water, including those shown on Exhibit A, and unto Undine Environmental the Assets which are primarily related to sewer, including those shown on Exhibit B, excluding the Real Property (which is being conveyed pursuant to a separate Deed) and the Contracts (which are either being terminated at Closing or conveyed pursuant to a separate assignment agreement) (the assets so conveyed herein being referred to as the "Conroe Assets"). All capitalized terms used herein but not defined herein shall have the meanings ascribed to them in the Purchase Agreement.

TO HAVE AND TO HOLD the Conroe Assets unto Grantee and Grantee’s successors and assigns forever.

GRANTEE ACKNOWLEDGES AND AGREES THAT, EXCEPT AS OTHERWISE PROVIDED IN THE PURCHASE AGREEMENT, THE CONROE ASSETS ARE CONVEYED "AS IS, WHERE IS" AND IN THEIR PRESENT CONDITION WITH ALL FAULTS, AND THAT GRANTOR HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, WITH RESPECT TO THE NATURE, QUALITY OR CONDITION OF THE CONROE ASSETS, THE INCOME TO BE DERIVED THEREFROM, OR THE QUALITY, ENFORCEABILITY, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF THE CONROE ASSETS, except for those representations and warranties made by Grantor to Grantee in the Purchase Agreement, which such representations and warranties shall survive in accordance with the terms of the Purchase Agreement. In the event of conflict between the terms of the Purchase Agreement and the terms of this Bill of Sale, the terms of the Purchase Agreement govern and control.

Notwithstanding the foregoing to the contrary, Grantor warrants that as of the execution date of this Bill of Sale, it is the owner of the Conroe Assets, that the Conroe Assets are free from all liens and encumbrances, and that Grantor has the right to transfer title and deliver possession of the Conroe Assets to the Grantee.

EXECUTED effective as of January __, 2023.

GRANTOR:

CONROE RESORT UTILITIES, LLC,
a Delaware limited liability company

By: FQB Master, LLP,
its sole member

By: FQB GP, LLC,
its general partner

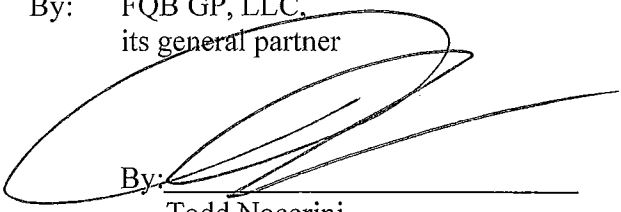
By: 
Todd Nocerini,
Vice President

EXHIBIT A

Water Assets

1. Lone Star Groundwater Conservation District Operating Permit, Permit No. OP-06081501A-JSPR, issued on January 1, 2021, to drill a well 500' West of Del Lago Blvd, and 390" South of Walden Road.
2. Lone Star Groundwater Conservation District Operating Permit, Permit No. HUP062-JSPR, issued on January 1, 2021, to drill wells at 3010 Balboa Circle and 1 Del Lago Blvd.
3. Letter of Intent, dated November 11, 2021, by and between Seller and Newcor Ventures, Inc.

EXHIBIT B

Sewer Assets

1. Texas Commission on Environmental Quality Permit to Discharge Wastes under provisions of Section 402 of the Clean Water Act and Chapter 26 of the Texas Water Code, TPDES Permit No. WQ0012493001, issued on September 26, 2017 and expires on June 1, 2022.
2. Letter of Intent, dated November 11, 2021, by and between Seller and Newcor Ventures, Inc.

EXHIBIT B


PUBLIC UTILITY COMMISSION OF TEXAS

DOCKET NO. 52797

STATE OF TEXAS §
 §
COUNTY OF Harris §

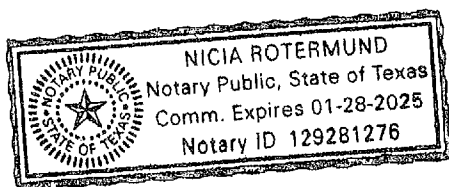
AFFIDAVIT OF CUSTOMER DEPOSIT TRANSFER

I, Carey Thomas, Vice President and Secretary of Undine Texas, LLC and Undine Texas Environmental, LLC ("Undine"), hereby certify that the customer deposits held by Conroe Resort Utilities, LLC were transferred to Undine on January 18, 2023. For a detailed summary, please see Attachment 1 of this Affidavit.


Carey Thomas
Vice President & Secretary

STATE OF TEXAS §
 §
COUNTY OF Harris §

SWORN to and SUBSCRIBED before me, the undersigned authority, on the 1 day of February 2023 by Carey Thomas.



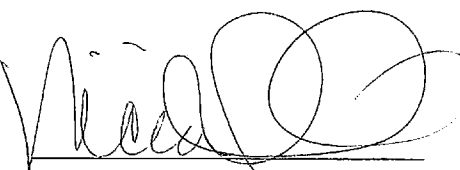

Notary Public, State of Texas

EXHIBIT C

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 – Rates

Rate Year 1

Effective Date: August 1, 2020

<u>Meter Size</u>	<u>Monthly Base Rate</u>	<u>Gallonge Charge</u>
5/8"	<u>\$37.81</u> (Includes 0 gallons)	<u>\$2.02</u> per 1000 gallons from 0 to 6,000 gallons
3/4"	<u>\$56.72</u>	<u>\$2.94</u> per 1,000 gallons from 6,001 to 15,000 gallons
1"	<u>\$94.53</u>	<u>\$5.25</u> per 1,000 gallons from 15,001 gallons to 25,000 gallons
1 1/2"	<u>\$189.05</u>	<u>\$7.79</u> per 1,000 gallons from 25,001+ gallons
2"	<u>\$302.48</u>	
3"	<u>\$567.15</u>	
4"	<u>\$983.06</u>	
Other (Unmetered)	<u>\$60.50</u>	

Rate Year 2

Effective Date: August 1, 2021

<u>Meter Size</u>	<u>Monthly Base Rate</u>	<u>Gallonge Charge</u>
5/8"	<u>\$44.37</u> (Includes 0 gallons)	<u>\$2.21</u> per 1000 gallons from 0 to 6,000 gallons
3/4"	<u>\$66.56</u>	<u>\$3.13</u> per 1,000 gallons from 6,001 to 15,000 gallons
1"	<u>\$110.93</u>	<u>\$5.44</u> per 1,000 gallons from 15,001 gallons to 25,000 gallons
1 1/2"	<u>\$221.85</u>	<u>\$7.98</u> per 1,000 gallons from 25,001+ gallons
2"	<u>\$354.96</u>	
3"	<u>\$665.55</u>	
4"	<u>\$1,153.62</u>	
Other (Unmetered)	<u>\$70.99</u>	

Rate Year 3

Effective Date: August 1, 2022

<u>Meter Size</u>	<u>Monthly Base Rate</u>	<u>Gallonge Charge</u>
5/8"	<u>\$50.93</u> (Includes 0 gallons)	<u>\$2.41</u> per 1000 gallons from 0 to 6,000 gallons
3/4"	<u>\$76.40</u>	<u>\$3.33</u> per 1,000 gallons from 6,001 to 15,000 gallons
1"	<u>\$127.33</u>	<u>\$5.64</u> per 1,000 gallons from 15,001 gallons to 25,000 gallons
1 1/2"	<u>\$254.65</u>	<u>\$8.18</u> per 1,000 gallons from 25,001+ gallons
2"	<u>\$407.44</u>	
3"	<u>\$763.95</u>	
4"	<u>\$1,324.18</u>	
Other (Unmetered)	<u>\$81.49</u>	

Rate Case Expenses

Monthly Rate Case Expense Surcharge\$1.12 per month
 Effective Date: August 1, 2020. The rate case expense surcharge will be collected for 36 months or until the full \$244,178.13 of rate case expenses related to Docket No. 50200 is collected, whichever occurs first.

SECTION 1.0 - RATE SCHEDULE

Section 1.01 – Rates

Rate Year 1

Effective Date: August 1, 2020

Meter Size:

Monthly Minimum Charge

All Meters

\$75.00 Flat Rate

Rate Year 2

Effective Date: August 1, 2021

Meter Size:

Monthly Minimum Charge

All Meters

\$92.50 Flat Rate

Rate Year 3

Effective Date: August 1, 2022

Meter Size:

Monthly Minimum Charge

All Meters

\$110.00 Flat Rate

Volume charges are determined based on average consumption for winter period which includes the following months: N.A.

RATE CASE EXPENSES\$1.12 per month

Effective Date: August 1, 2020. The rate case expense surcharge will be collected for 36 months or until the full \$85,289.03 of rate case expenses related to Docket No. 50200 is collected, whichever occurs first.

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash X , Check X , Money Order X , Credit Card X , Other (specify Online Payment or Automatic Bank Draft)

THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

UNAFFILIATED THIRD PARTIES WHO ACCEPT AND PROCESS CREDIT CARD AND ELECTRONIC PAYMENTS FOR UTILITY BILLS MAY REQUIRE PAYMENT OF AN ADDITIONAL CONVENIENCE CHARGE FOR THIS SERVICE.

REGULATORY ASSESSMENT1.0%

PUBLIC UTILITY COMMISSION (COMMISSION) RULES REQUIRE THE UTILITY TO COLLECT AND REMIT TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL.

Section 1.02 - Miscellaneous Fees

TAP FEE\$865.00

TAP FEE COVERS THE UTILITY’S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL CONNECTION. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF, INCLUDING COSTS RELATED TO ROAD BORES, ROCK CUTS, AND UNUSUALLY LONG TAPS.